

#### **48.130 Budget reduction plan.**

- (1) The branch budget recommendation submitted by each branch of government shall include a plan for the reduction of the respective budget recommendations, by budget unit, if projected or actual tax receipts accruing to the general fund or road fund are five percent (5%) or less than the revenue estimates for these funds as determined under subsection (3) of KRS 48.120.
- (2)
  - (a) In recommending budget reductions, the Governor, the Chief Justice, and the Legislative Research Commission shall not recommend universal percentage reductions, but shall weigh the needs of all budget units and shall strive to protect the highest possible level of service in their respective branches. Services which are not essential to constitutional functions shall be subject to reduction. Transfer of funds may be authorized by the budget reduction plan;
  - (b) In recommending budget reductions for the executive branch, the budget reduction plan provided for by subsection (1) of this section shall comply with the provisions of KRS 18A.1132;
  - (c) A layoff of state employees in the executive branch under the budget reduction plan enacted by the General Assembly shall comply with the provisions of KRS 18A.1132; and
  - (d) A layoff of state employees in the executive branch required by an actual or projected deficit in tax receipts contemplated by subsection (5) of this section shall comply with the provisions of KRS 18A.1132.
- (3) The plan shall be enacted as modified by the General Assembly in each branch budget bill.
- (4) Based upon the information provided in KRS 48.400 and in the event of an actual or projected deficit in tax receipts provided for by this section, the Office of State Budget Director shall notify all branches of government:
  - (a) If funds that have accrued to the surplus accounts of the general or road funds are not sufficient to meet these deficits, the allotments to the respective branches shall be reduced according to the reduction provisions embodied in the branch budget bill, and the Governor, the Chief Justice, and the Legislative Research Commission shall automatically implement budget reductions for their respective branches according to the reduction provisions embodied in the branch budget bill; and
  - (b) In the event funds that have accrued to the surplus accounts of the general or road funds are sufficient to meet these deficits, transfers from these surplus accounts shall be made, as appropriate, and the budget reduction provisions embodied in the branch budget bill shall not be implemented.
- (5) Based upon the information provided in KRS 48.400 and in the event of an actual or projected deficit in tax receipts of five percent (5%) or less, the Governor, the Chief Justice, and the Legislative Research Commission shall implement budget reductions for their respective branches consistent with the provisions of the enacted branch budget bills.

- (6) The budget reduction plan shall provide that the annual increment granted state employees under KRS 18A.355 shall be reduced as provided by KRS 18A.355. Any such reduction of the annual increment shall be uniform for all employees.
- (7) If general fund or road fund tax receipts increase over the estimated deficits, then services shall be restored in the reverse order of the reduced services.
- (8) This section shall not preclude the General Assembly, in regular or special session, from amending a branch budget bill requiring budget reductions nor shall it preclude the Governor from calling a special session of the General Assembly at any time the budget reduction plan is in effect.
- (9) No budget reduction action shall be taken by any branch head in excess of the actual or projected deficit.

**Effective:** July 14, 2000

**History:** Amended 2000 Ky. Acts ch. 46, sec. 17, effective July 14, 2000. -- Amended 1994 Ky. Acts ch. 387, sec. 2, effective July 15, 1994. -- Amended 1990 Ky. Acts ch. 507, sec. 9, effective July 13, 1990. -- Amended 1988 Ky. Acts ch. 273, sec. 5, effective July 15, 1988. -- Amended 1986 Ky. Acts ch. 494, sec. 23, effective July 15, 1986. -- Created 1982 Ky. Acts ch. 450, sec. 13, effective July 1, 1983.

**2006-2008 Budget Reference.** See State/Executive Branch Budget, 2006 Ky. Acts ch. 252, Pt. VI, at 1409; and State/Executive Branch Budget Memorandum, 2006 Ky. Acts ch. 257, at 1625 (Final Budget Memorandum, at 78).

**2004-2006 Budget Reference.** See State/Executive Branch Budget, 2005 Ky. Acts ch. 173, pt. VI, (5), at 3158; and State/Executive Branch Budget Memorandum, 2005 Ky. Acts ch. 170, at 1643 (Final Budget Memorandum, at 66).

**2004-2006 Budget Reference.** See State/Executive Branch Budget, 2005 Ky. Acts ch. 173, pt. I, K.6.(3), at 3090; and State/Executive Branch Budget Memorandum, 2005 Ky. Acts ch. 170, at 2633 (Final Budget Memorandum, at 952).

**2004-2006 Budget Reference.** See State/Executive Branch Budget, 2005 Ky. Acts ch. 173, pt. I, K.8.(5), at 3090; and State/Executive Branch Budget Memorandum, 2005 Ky. Acts ch. 170, at 2651 (Final Budget Memorandum, at 967).